



Key points

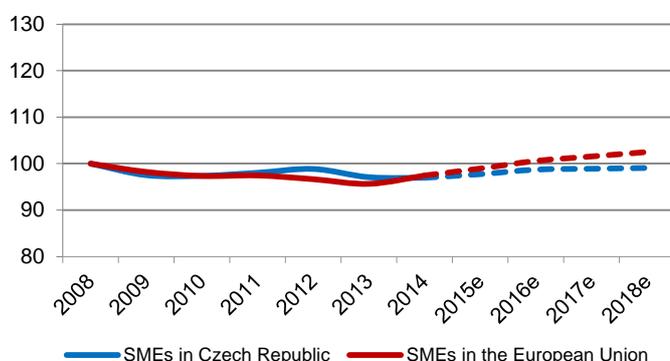
Past & future SME performance¹: Czech SMEs have experienced moderate growth in terms of value added in recent years. However, they have not kept pace with the recent overall growth in the non-financial business economy, which was driven by large firms. SME value added grew by 9.5 % in 2012-2016, which was less than that of large firms. SME employment in 2016 remained at around the same level as in 2012. The 2012-2016 period consisted of a downturn in the first half for SMEs, with total SME value added and employment both dropping by around 2 %. This was followed by a recovery in the second half, with SME value added outstripping its previous level in all sectors. In 2015-2016, value added and employment by SMEs rose by 3.4 % and 1 % respectively. The recent growth in SME value added is expected to continue, with an increase of 8.7 % forecast for 2016-2018. In contrast, SME job growth is forecast to stagnate, with a minor increase of only 0.4 % over the same period, which amounts to around 8 800 new SME jobs.

Implementing the Small Business Act for Europe (SBA): The Czech Republic's SBA profile is solid and broadly in line with the EU average. It performs above the EU average in four areas: state aid & public procurement, access to finance, skills & innovation and environment. On entrepreneurship, 'responsive administration' and internationalisation, it performs below the EU average, and is in line with the EU average for 'second chance' and the single market. Since 2008, its performance has improved in 'second chance', 'responsive administration', access to finance and the single market. Recent policy measures have focused on the areas of skills & innovation and access to finance, with several programmes put in place within the operational programme 'Entrepreneurship and Innovations for Competitiveness' (*Operační program podnikání a inovace pro konkurenceschopnost*).

SME policy priorities: The biggest opportunities for improvement are to be found in supporting SMEs' international trade expansion within and outside the single market. In addition, the entrepreneurial environment is characterised by the low profile kept by entrepreneurship and low public esteem. This could be countered by introducing entrepreneurial education into the national curricula of schools and universities. Application of the 'Think Small First' principle needs to be strengthened, in particular by systematically applying the SME test to new legislative proposals. On 'responsive administration', the e-government infrastructure should be developed further and the business environment improved by e.g. creating a single point-of-contact for start-ups. Important gaps remain also in 'second chance'. There is no early warning mechanism in place to prevent bankruptcy. In addition, honest entrepreneurs are not automatically discharged after liquidation, with insolvency procedures still very costly.

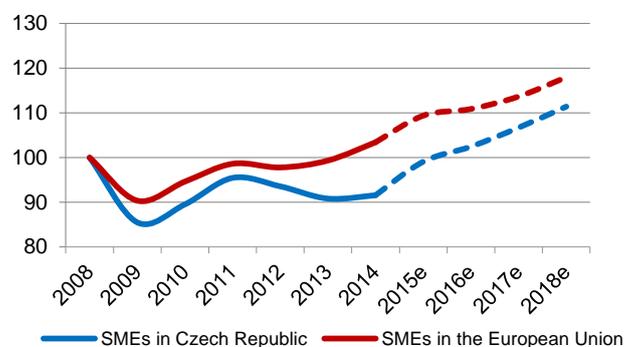
Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2015 onwards)



Value added of SMEs

(Index: 2008=100, estimates as from 2015 onwards)



About the SBA fact sheets

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and 'responsive administration' to internationalisation. To improve the governance of the SBA, the 2011 review of it called for better monitoring. The SBA fact sheets, published annually, aim to improve the understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.

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1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Czech Republic		EU-28	Czech Republic		EU-28	Czech Republic		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	972 523	96.0 %	93.0 %	1 132 929	31.0 %	29.8 %	18.5	19.6 %	20.9 %
Small	31 749	3.1 %	5.8 %	630 281	17.2 %	20.0 %	13.6	14.4 %	17.8 %
Medium-sized	6 654	0.7 %	0.9 %	679 173	18.6 %	16.7 %	19.4	20.5 %	18.2 %
SMEs	1 010 926	99.8 %	99.8 %	2 442 383	66.8 %	66.6 %	51.5	54.5 %	56.8 %
Large	1 632	0.2 %	0.2 %	1 212 452	33.2 %	33.4 %	43.0	45.5 %	43.2 %
Total	1 012 558	100.0 %	100.0 %	3 654 835	100.0 %	100.0 %	94.4	100.0 %	100.0 %

These are estimates for 2016 produced by DIW Econ, based on 2008-2014 figures from the Structural Business Statistics Database (Eurostat). The data cover the non-financial business economy, which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The following size-class definitions are applied: micro firms (0-9 persons employed), small firms (10-49 persons employed), medium-sized firms (50-249 persons employed), and large firms (250+ persons employed). The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

SMEs in the Czech non-financial business economy account for two thirds of total employment, on a par with the EU average. However, the SME share of 54.5 % of total value added is slightly below the EU average of 56.8 %. Czech SMEs employ an average of 2.4 people, compared to 3.9 in the EU. The most important sector for Czech SMEs is *manufacturing*, which generates almost 30 % of SME value added and employment, nearly 10 percentage points more than the respective averages in the rest of the EU.

Czech SMEs have not kept pace with the recent overall growth in the non-financial business economy, which was driven by large firms. SME value added grew by 9.5 % in 2012-2016, while the value added of large firms rose by 16.4 % over the same period.

Employment in large firms also experienced strong growth, up 14.2 %, whereas SME employment in 2016 remained at around the same level as in 2012. For SMEs, the 2012-2016 period consisted of a downturn in the first half, with total SME value added and employment both dropping by around 2 %. This was followed by a recovery in the second half, with SME value added outstripping its previous level in all sectors. In 2015-2016, SME value added rose by 3.4 % and SME employment by 1 %.

Manufacturing was one of the sectors in which SME growth was weaker than for large firms. SME value added in this sector grew by 9.5 % in 2012-2016, on a par with SME value added growth in the non-financial business economy as a whole. In contrast, SME employment grew by 0.6 %. One of the key drivers for

overall sector growth was the thriving car industry, including supply chain manufacturers as well as car manufacturers. The rise in demand was both international and domestic, the latter a result of increased household spending on consumer durables caused by a rise in household incomes and growing consumer confidence². SMEs in the *motor vehicle manufacturing* sector benefited from this upturn in consumer spending, with value added and employment rising by 32.6 % and 8.1 % respectively. Growth in the wider *manufacturing* sector is heavily reliant on growth in this subsector. However, *motor vehicle manufacturing* is dominated by large firms, which means that SMEs' share of growth is relatively small by comparison. This explains why SMEs in the *manufacturing* sector underperformed in general compared to large firms. Another factor behind the weak performance of SMEs compared to large firms is the fact that they encounter more difficulties in competing for highly qualified workers – large companies are able to offer more competitive wages and have better access to foreign labour markets³. This applies not only to the *manufacturing* sector, but also to other sectors of the Czech economy.

In 2012–2016, the sector with the highest growth in SME employment was *information and communication*, with 10.7 %. SME value added also grew strongly, up 13.3 % over the same period. The *computer programming and consultancy* sub-sector was the key driver of this growth, benefiting from a surge in international demand for IT services, most notably from the United States, Ireland and the United Kingdom. Total exports of IT consulting, computer programming and related services increased by more than 40 % in 2012–2015. SMEs, responsible for almost a third of these exports in 2015, did not benefit as much as large firms, but nevertheless achieved growth of 20 % in 2012–2015⁴.

Transportation and storage was an exceptional sector in terms of SMEs outperforming large firms. SME value added increased by 19.0 % and SME employment by 3.7 % in 2012–2016. The reasons for this growth include the general economic recovery throughout Europe and huge warehouses being built alongside

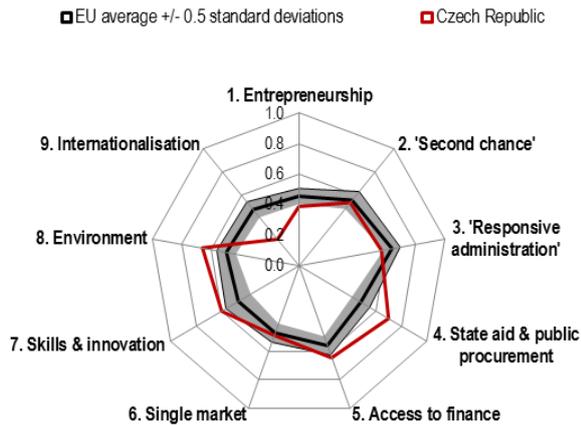
motorways (e.g. Amazon) in the Czech Republic, together with further deepening of the single market⁵. The resulting overall increase in intra-EU trade in goods has led to growing demand for Czech freight forwarding services, with SMEs representing an important share of this sector. In terms of the international competitiveness of this sector, the Czech Republic is not only favourably located at the heart of Europe, its labour costs are also highly competitive, with the Czech minimum wage one of the lowest in the EU.⁶ However, there were signs of a slowdown in growth towards the end of the 2012–2016 period⁷.

In 2016, company registrations totalled 28 837, a 7.0 % increase compared with 2015⁸. This is the fifth increase in a row, and the second time since 2015 that the 2007 pre-crisis level of registrations has been surpassed. Although de-registrations also peaked in 2016, at 8 268, the net increase of 20 569 registrations was the highest total of registrations since 2010. The growth in registrations and the overall total number of companies is thanks in part to the favourable wider economic environment. However, it also reflects the ongoing support for start-ups, for example in the form of the operational programme 'Entrepreneurship and Innovation for Competitiveness' (2014–2020)⁹, which provides specific grant programmes such as *Technologies*¹⁰, *Consultancy*¹¹, and *ICT and Shared Services*¹².

The number of self-employed individuals has fallen in recent years, by 5.3 % in 2012–2016, unlike the number of companies with employees. As a result, self-employment dropped from 17.5 % of overall employment in 2012 to 16.0 % in 2016.¹³ However, this is still higher than the EU average of 14.0 %. The share of high-growth firms in all Czech firms was 8.3 % in 2014, one percentage point lower than the EU average¹⁴.

The recent growth in SME value added is expected to continue, with a rise of 8.7 % forecast for 2016–2018. In contrast, the forecast for SME employment is near stagnation, with a minor increase of only 0.4 % in the same period, corresponding to around 8 800 new SME jobs.

2. SBA profile¹⁵



The Czech Republic's SBA performance is solid and broadly in line with the EU average. It performs above the EU average in four areas: state aid & public procurement, access to finance, skills & innovation and environment. On entrepreneurship, 'responsive administration' and internationalisation, the country performs below the EU average, and is in line with the EU average for 'second chance' and the single market. Since 2008, the country's performance has improved in 'second chance', 'responsive administration', access to finance and the single market.

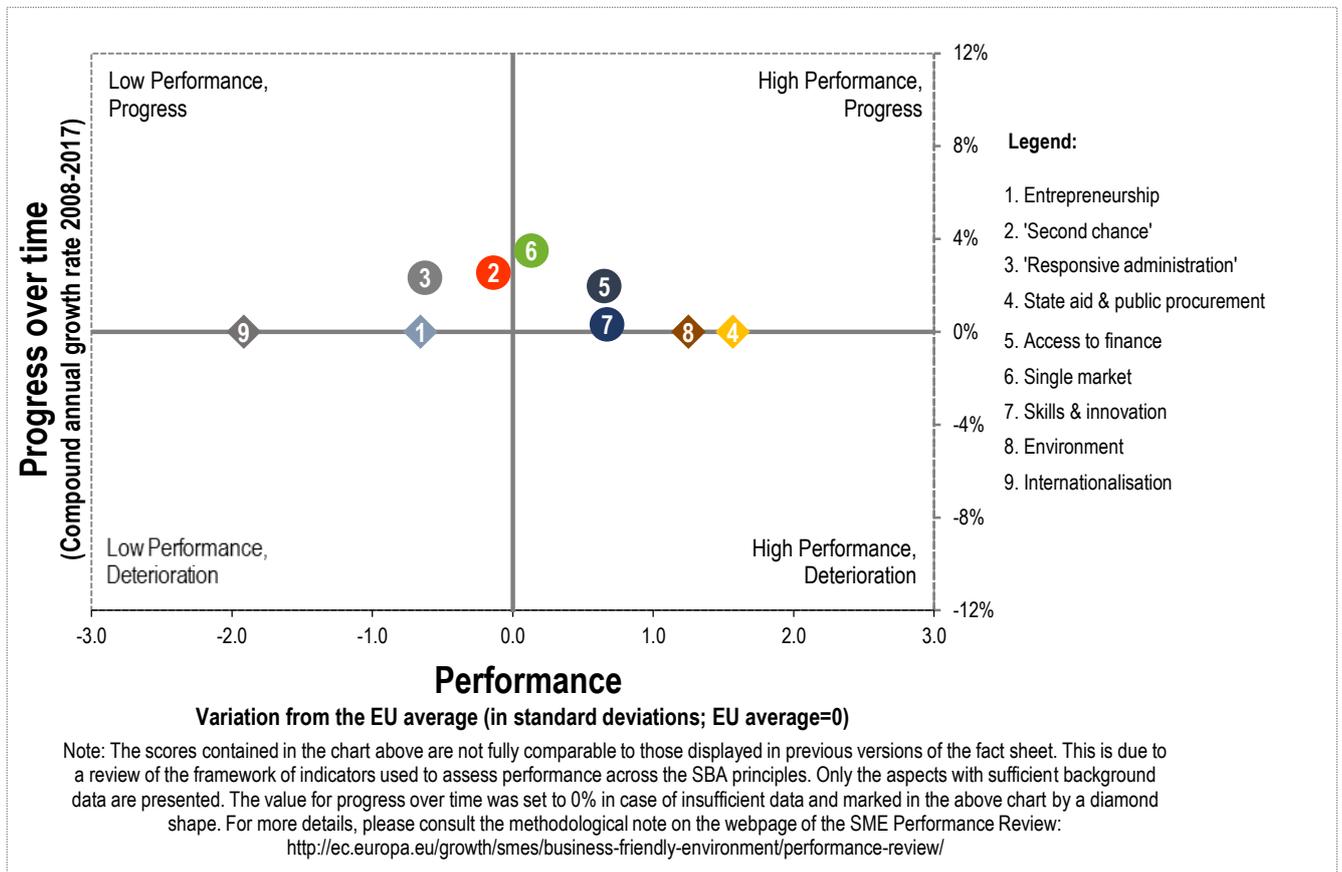
Overall implementation of the SBA recommendations has been evident since 2008. Nevertheless, a number of unresolved issues still persist:

- entrepreneurship education is missing from the national curricula;
- honest bankrupt entrepreneurs face immense hurdles in starting again;
- the 'SME test' is not applied consistently; and
- SMEs still face significant administrative burdens.

In 2016 and the first quarter of 2017 (the reference period for policy measures in this year's fact sheets), the Czech Republic implemented 10 policy measures in total. These addressed 7 out of the 10 policy areas under the Small Business Act. The most important progress made in the current reference period was in the areas of skills & innovation and access to finance thanks to several programmes put in place within the operational programme 'Entrepreneurship and Innovations for Competitiveness'.

While there is no national SBA strategy, policy measures in individual areas are coordinated and monitored on a regular basis, and the 'Small and Medium Enterprises Support Strategy 2014-2020' was adopted. Annual SME support action plans have also been adopted since 2015. They identify objectives and measures and the public bodies responsible for implementing them. They also monitor and evaluate whether the objectives have been met. The 2016 SME support action plan (*Akční plán podpory malých a středních podnikatelů na rok 2016*) addressed the need for Czech SMEs to grow.

SBA performance of Czech Republic: state of play and development from 2008 to 2017¹⁶



3. SBA principles¹⁷

3.0 ‘Think Small First’

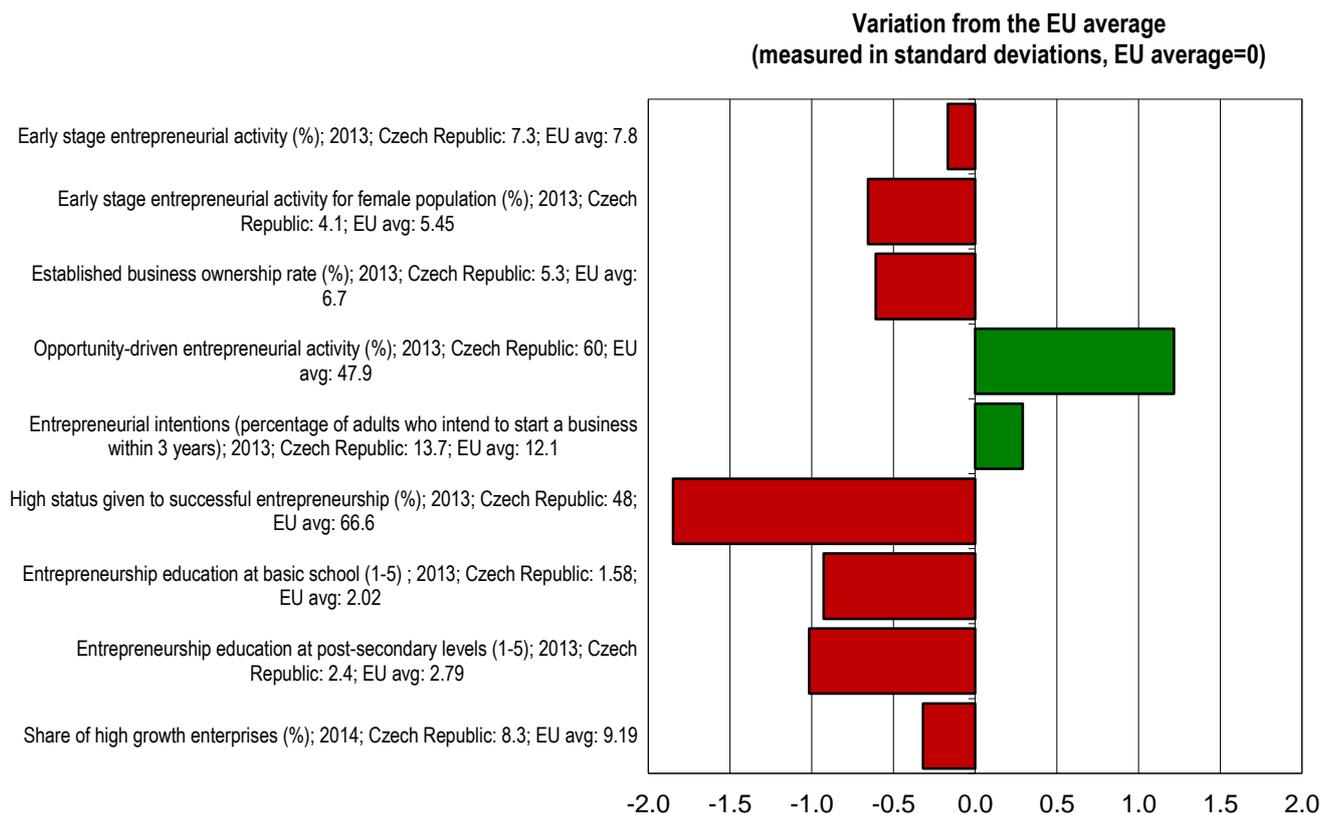
The ‘Think Small First’ principle is meant to be a guiding principle for all policy- and law-making activities. It requires policymakers to take SME interests into account at the early stages of the policy-making process. The principle also calls for newly designed legislation, administrative rules and procedures to be made simple and easy to apply.

Gaps remain in the implementation of the SBA recommendations under ‘Think Small First’. The SME test is in

place but is not applied systematically. The use of common commencement dates is still optional and does not cover all new legislation adopted. The SME envoy is visible and plays a proactive role. SME stakeholders are also frequently consulted on new legislative proposals.

In the current reference period, the Accounting Act No 221/2015 Coll. was amended to minimise the accounting requirements for micro-firms that are not obliged to undergo an audit.

3.1 Entrepreneurship



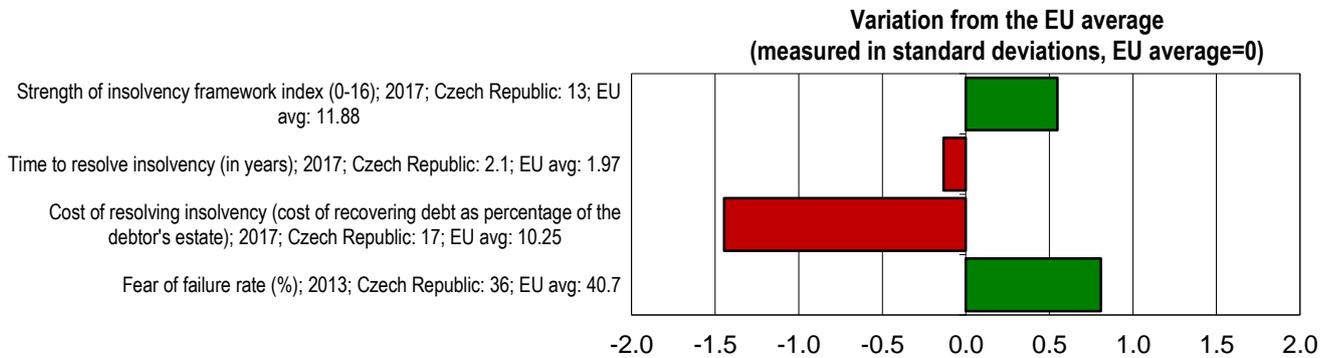
Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

The Czech Republic performs below the EU average in this area. The latest available data show that the percentage of total early stage entrepreneurial activity and the established business ownership rate were below the EU average in 2013. In addition, entrepreneurship education achieved poor results. However, the main reason for this underperformance is the low appreciation of entrepreneurs.

Since 2008, the Czech Republic has introduced a number of measures to promote entrepreneurship. However, many elements of the SBA recommendations have not been addressed, such as a business transfer marketplace or specific measures targeted at women, youth or the unemployed.

In the current reference period, no new significant measures were adopted or implemented to promote entrepreneurship.

3.2 'Second chance'



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

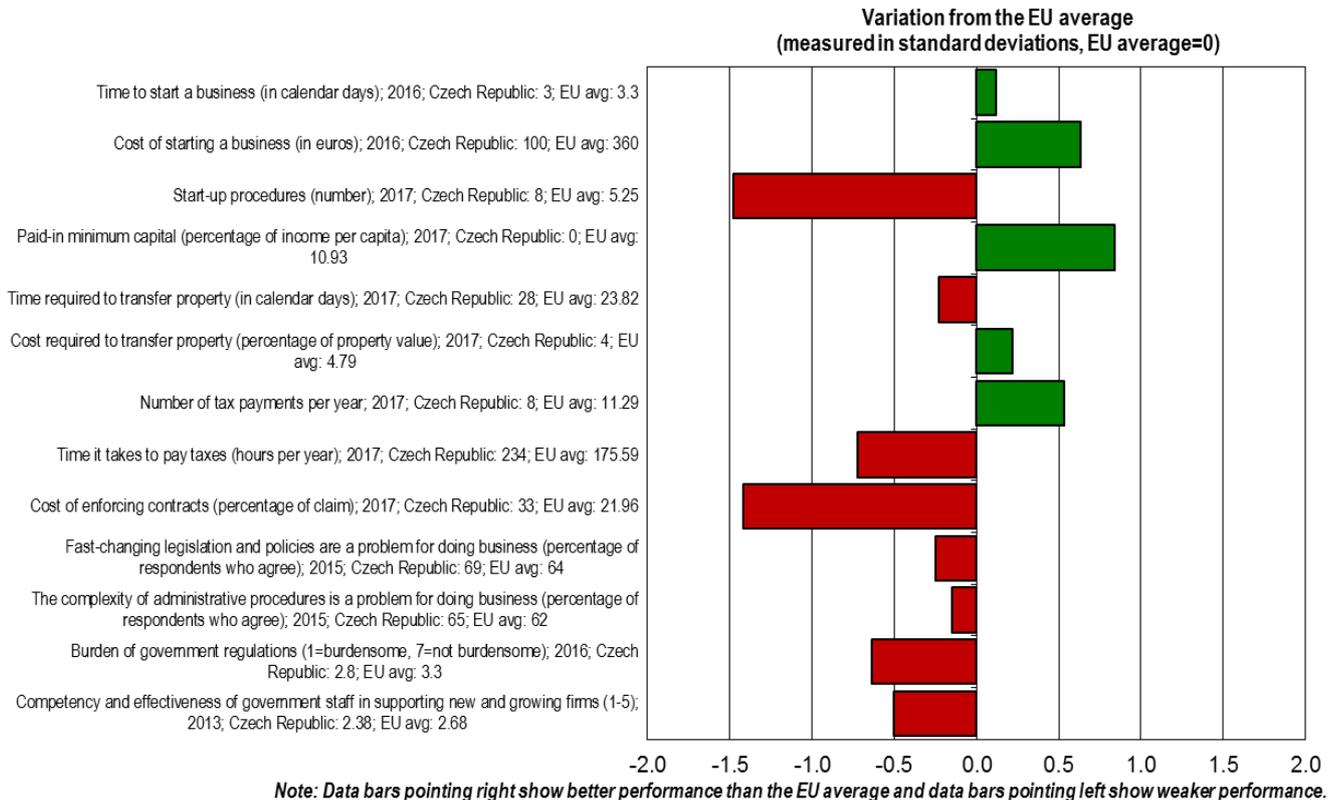
'Second chance' ensures that honest entrepreneurs who have gone bankrupt get a second chance quickly. The Czech Republic continues to perform in line with the EU average on this principle. Since 2014, the time to resolve insolvency has remained the same at 2.1 years, which is in line with the EU average. However, the cost of resolving insolvency is the third highest in the EU, at 17 % of the debtor's estate. On a positive note, the fear of failure rate is lower than the EU average and the insolvency framework is functioning well.

Since 2008, giving non-fraudulent bankrupt entrepreneurs a 'second chance' has not been a policy priority. Important gaps remain. There is no early warning help desk mechanism to help

prevent bankruptcy in the first place. In addition, honest entrepreneurs are not automatically discharged from debt after liquidation. While fast-track procedures exist for SMEs, insolvency procedures are still very costly. Against this background, the Act on Insolvency and its Resolution No 182/2006 Coll. (*Novela zákona o úpadku a způsobech jeho řešení 182/2006 Sb.*) was adopted to amend the insolvency proceedings. The amendment, which comes into force in 2017, tackles some of the issues. However, the impact of this new Act can only be assessed later on.

In the current reference period, no new significant policy measures were implemented in this area.

3.3 'Responsive administration'



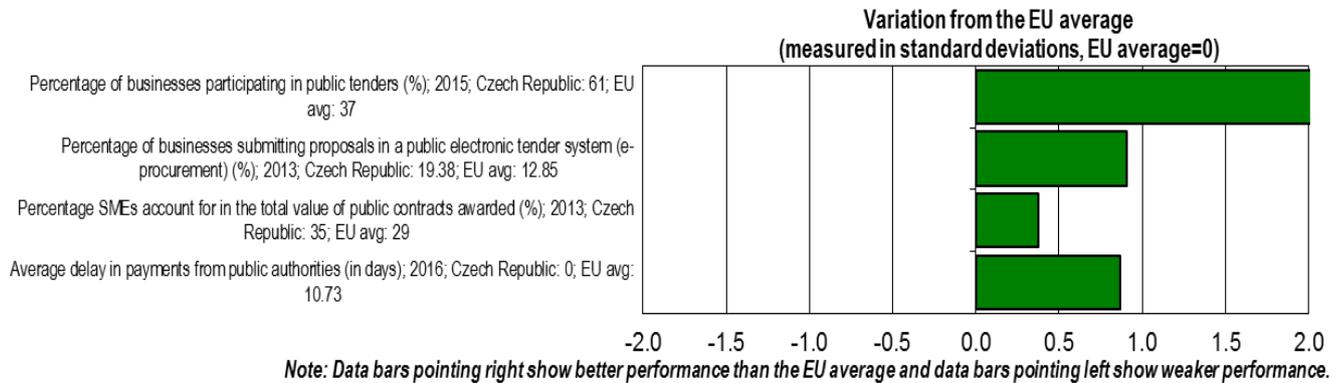
'Responsive administration' refers to public administration being responsive to the needs of SMEs. In general, the Czech Republic performs below the EU average in this area. However, significant progress has been made since 2008. It now takes just three days and EUR 100 to start a business, which represents a substantial improvement since 2013. In addition, the time it takes to register property has fallen considerably from 124 days in 2008 to 28 days in 2016.

Although government regulations are still considered burdensome, a series of measures have been introduced since 2008 under 'responsive administration'. However, the administrative procedures continue to be complex, and the cost of enforcing contracts is one of the highest in the EU.

The measures have had a positive impact in general. The Business Corporations Act 90/2012 Coll. (*Zákon o obchodních společnostech a družstvech 90/2012 Sb.*) and the Civil Code 89/2012 Coll. (*Občanský zákoník 89/2012 Sb.*)¹⁸ have reduced the time it takes to set up a new business and the minimum amount required for paid-in capital. However, administrative burdens persist, and an e-government infrastructure has still not been fully developed. The one-stop shop platform is still fragmented, and not all procedures and services are housed under one roof.

In the current reference period, no new significant measures were adopted or announced.

3.4 State aid & public procurement



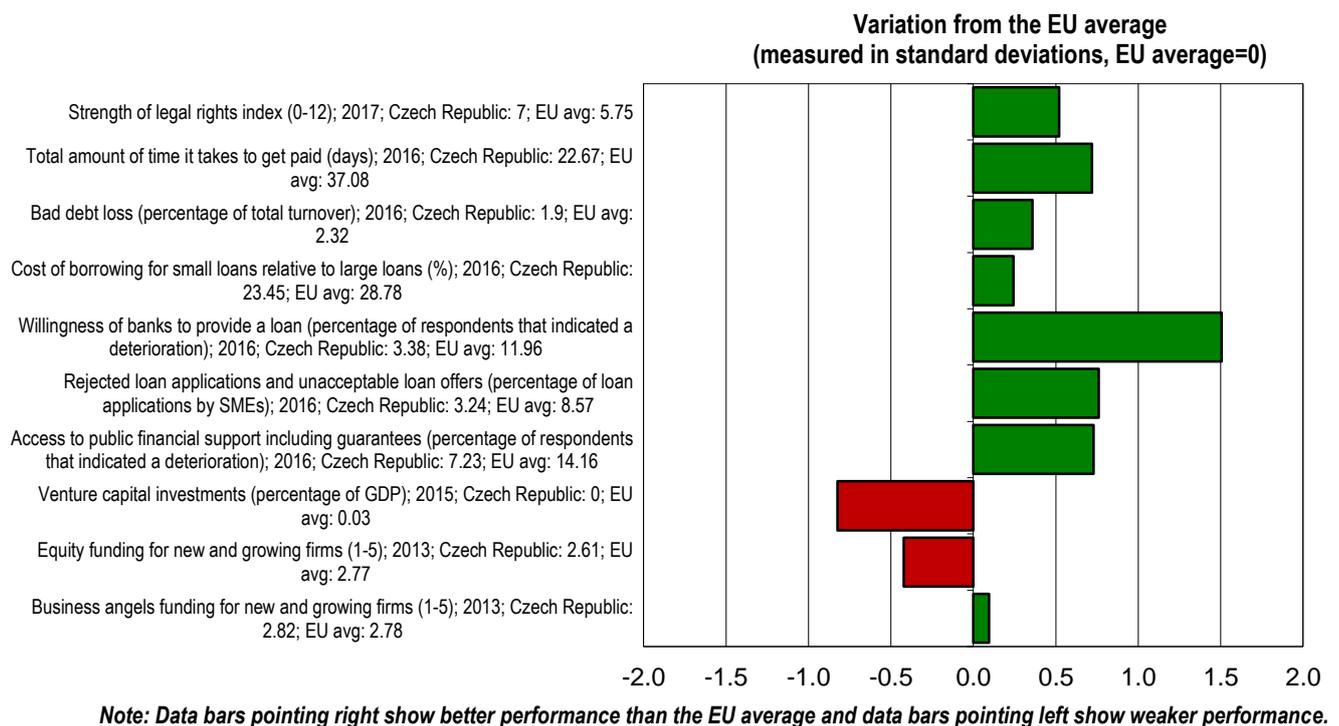
On state aid & public procurement, the Czech Republic performs well above the EU average, with the second best performance of all EU countries. Significantly, 61 % of Czech businesses have participated in public tenders since 2015 — the highest in the EU. In addition, 31 % of the total value of public contracts has been awarded to SMEs since 2013. Remarkably, there is no delay in payments from public authorities.

However, it is important to note that while statistical performance indicators paint a positive picture, challenges persist in preventing corruption as well as inefficiencies in public procurement transparency¹⁹.

Since 2008, the Czech government has implemented a series of measures resulting from several SBA recommendations in this area. In general, the Czech procurement system is quite effective in involving SMEs. There are protective measures in place for late payments, although they are not exclusive to SMEs. However, the Czech government still does not consider splitting big tenders into smaller lots, and the size of companies is not taken into account when setting the financial requirements.

In the current reference period, the New Act on Public Procurement, no. 134/2016 Coll (*Nový zákon o zadávání veřejných zakázek, č. 134/2016 Sb.*) was adopted. The legislation aims to simplify the public procurement process, make it more efficient and ensure that more SMEs participate.

3.5 Access to finance



The Czech Republic's performance on access to finance is above the EU average. The data show that the financing environment for Czech SMEs is positive and has continued to improve since 2008. Czech banks are more willing to provide loans to SMEs than in previous years. The percentage of rejected loan applications and unacceptable loan offers has significantly fallen from 17.6 % in 2013 to 3.2 % in 2016. However, while traditional bank lending is not an issue, equity funding and venture capital investments are still underdeveloped as financing instruments.

Operations backed by the European Fund for Strategic Investments further improve SMEs' access to finance. Seven financing agreements have already been signed between the European Investment Fund and domestic financial intermediaries. This is especially important for Czech SMEs as bank loans are one of their key sources of financing²⁰.

Since 2008, the introduction of substantial new measures and the creation of new institutions (e.g. Czech-Moravian Guarantee and Development Bank / ČMZRB) have had a positive impact. For

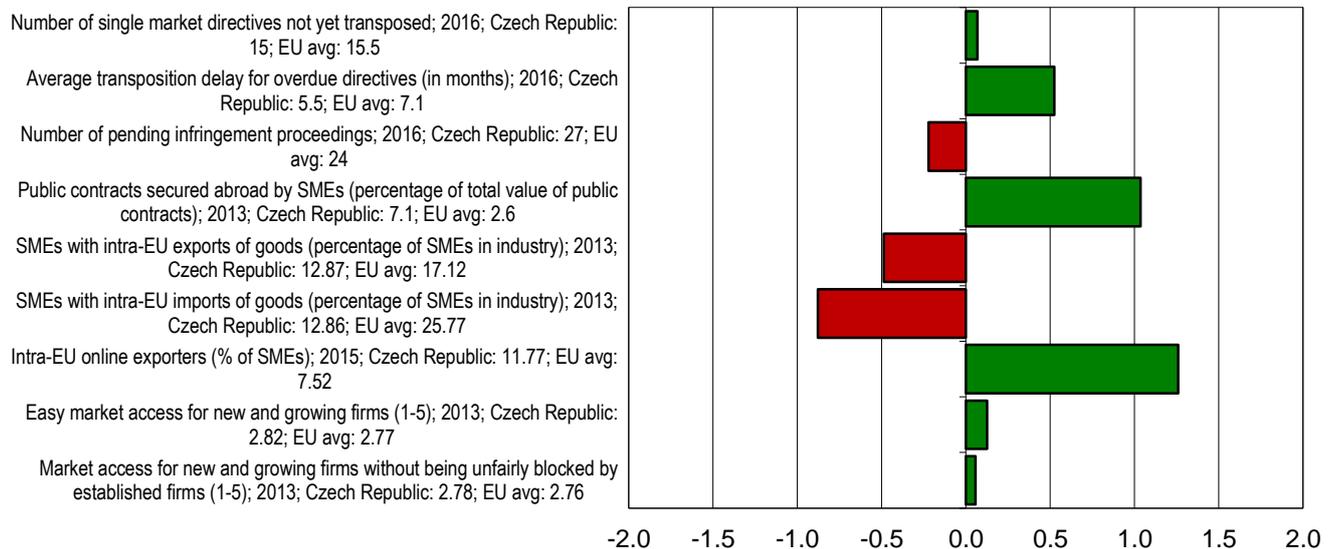
example, SMEs have ample access to loans thanks to the guarantees from ČMZRB.

In the current reference period, two new important measures were adopted:

- The Agency for Entrepreneurship and Innovation (*Agentura pro podnikání a inovace — API*) was established to simplify and streamline all processes linked to financial aid coming from European Structural Funds as part of the operational programme 'Entrepreneurship and Innovation for Competitiveness'.
- 'EXPANSION' (*EXPANZE*) is a programme controlled by ČMZRB that provides guarantees and preferential loans to SMEs and start-ups primarily focused on investment projects in industry and construction, selected wholesale stores and retail.

3.6 Single market

**Variation from the EU average
(measured in standard deviations, EU average=0)**



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

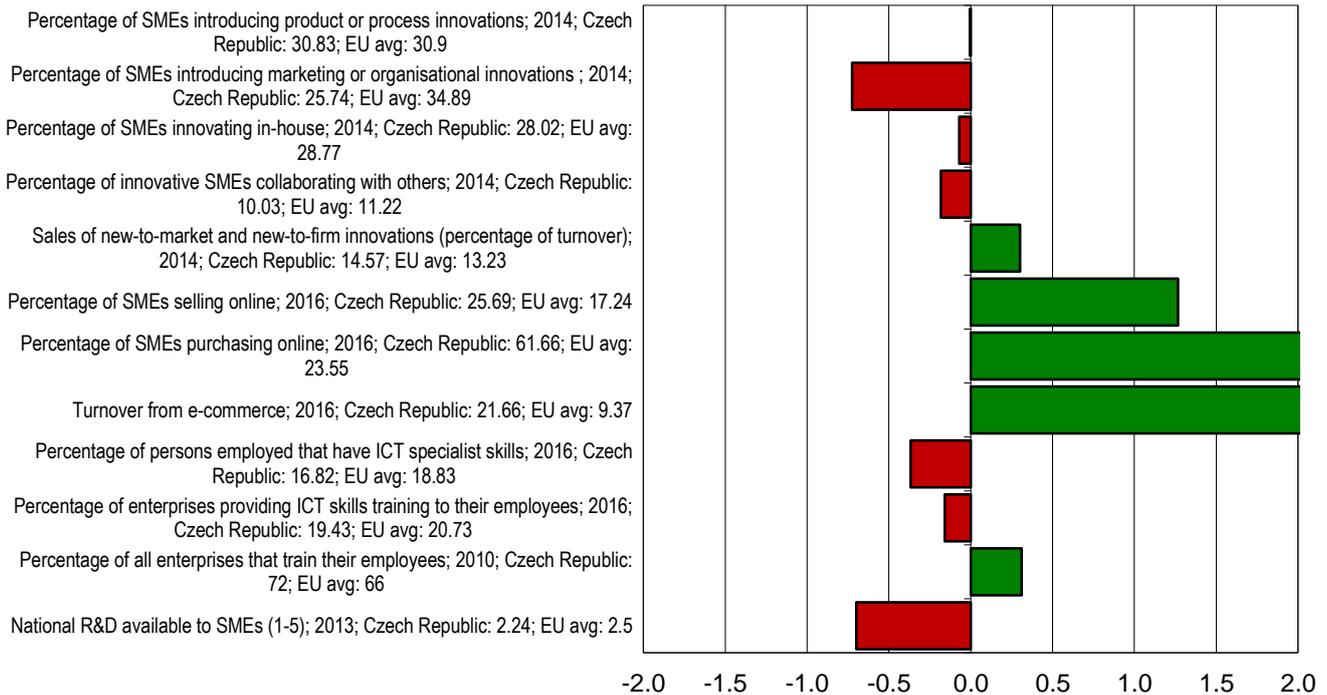
The Czech Republic performs in line with the EU average. This is the area in which it has improved the most since 2008. The number of outstanding single market directives increased from 6 to 15, while the average transposition delay for overdue directives fell by over three months²¹. Czech SMEs are performing well in intra-EU online exports, with almost 12 % completing online sales to another EU country.

Since 2008, numerous measures have been implemented to increase the participation of Czech SMEs in the single market. Most of the SBA recommendations have been addressed, including the establishment of a SOLVIT Centre and a single point-of-contact.

In the current reference period, no new significant policy measures were adopted or announced in this area.

3.7 Skills & innovation

Variation from the EU average
(measured in standard deviations, EU average=0)



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

The Czech Republic's performance is mostly above the EU average in this area. This is driven mainly by the impressive performance of the three online business indicators. The percentage of SMEs selling online is among the highest in the EU and continues to improve. The turnover from e-commerce is the second highest among all EU countries.

Skills & innovation is a key policy priority for the Czech government, with most of the SBA recommendations already addressed. However, the skills shortage in the workforce is still a key issue, and SMEs lack the ability to innovate in-house or introduce organisational or marketing innovations.

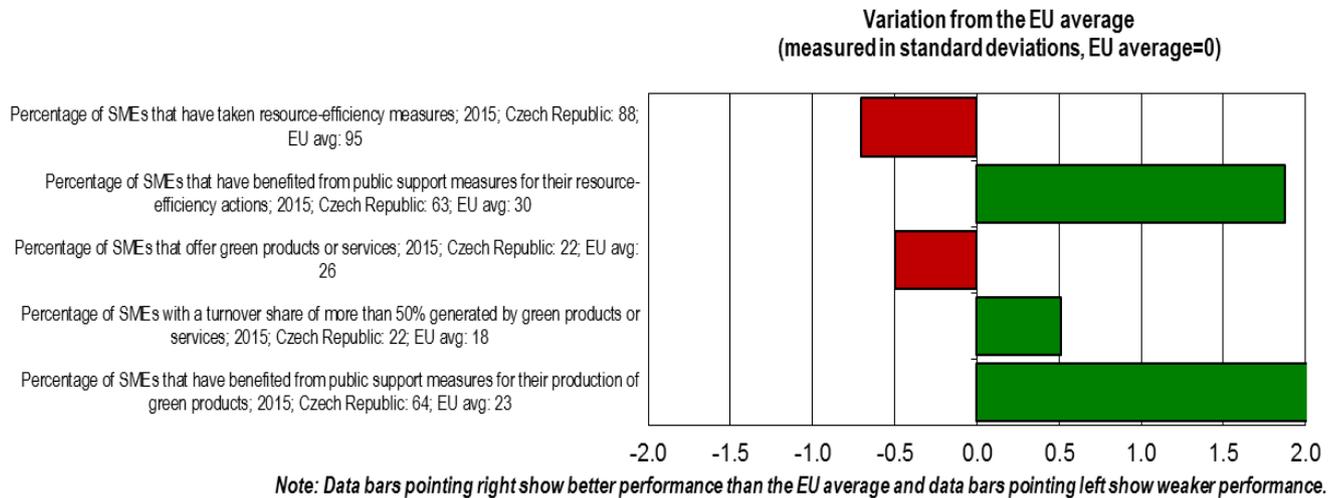
In the current reference period, important policy progress was made with the adoption of the following measures:

- The 'Innovation project' programme (*Inovace — inovační projekt*) helps SMEs utilise R&D results for

product innovation; process innovation; organisational innovation or marketing innovation.

- The national 'TRIO programme' supports applied research and experimental development with a focus on photonics, micro- and nanoelectronics, nanotechnology, industrial biotechnology, advanced materials and advanced manufacturing technology. Depending on the activity supported, SMEs can obtain financial aid of 35 % to 80 %.
- The 'Potential' (Potenciál) programme helps SMEs set up or expand centres for industrial research, development and innovation.
- The 'training centres' measure (*Školící střediska*) aims to create new centres and modernise existing ones for the benefit of SMEs and their employees.

3.8 Environment



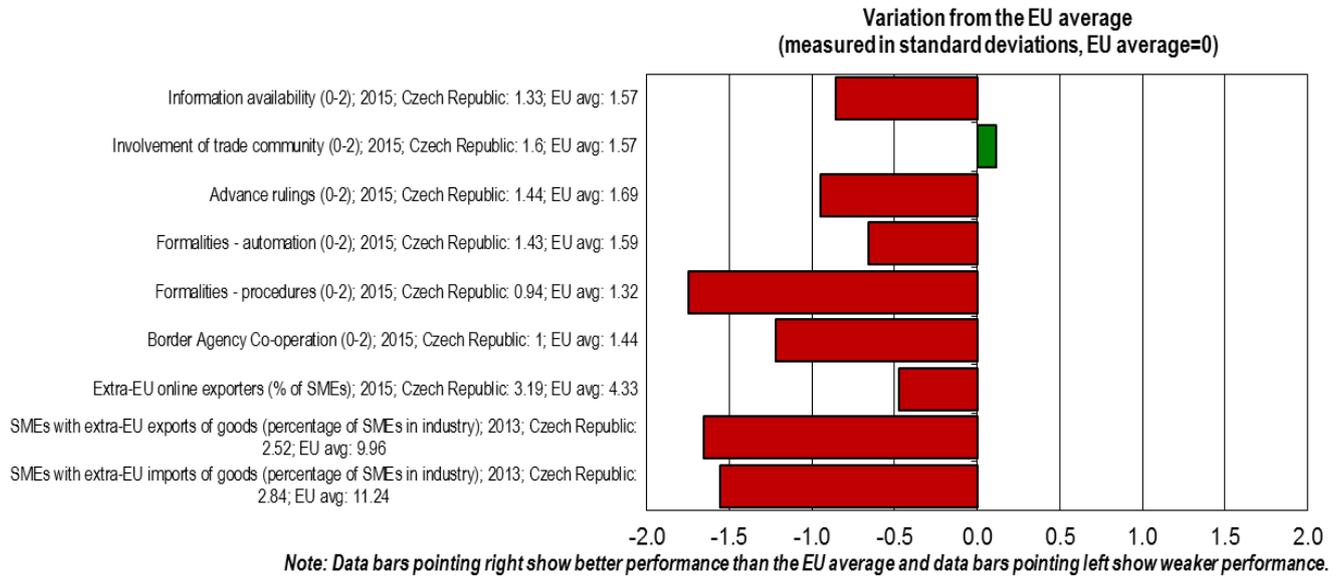
The country performs above the EU average in this area. Public support to SMEs selling green products and taking resource – efficiency measures is among the highest in the EU. However, in 2015 significant public support did not translate into much better performance in terms of the percentage of SMEs that offer green products or services or that have taken up resource efficiency measures.

The Czech government has made important policy efforts since 2008, partly in the form of public financing. For example, its eco-energy programme provides funding to SMEs to develop renewable energy sources. However, regulatory incentives are

required for Eco-Management and Audit Scheme (EMAS) certification and green public procurement should be set up.

In the current reference period, the ‘Low carbon technologies’ programme (*Nízkouhlikové technologie*) was set up. It supports the competitiveness of companies and the sustainability of the Czech economy by introducing innovative technologies in the fields of e-mobility, energy management and utilisation of secondary raw materials.

3.9 Internationalisation



Important methodological changes have been introduced for this principle in this year's fact sheet. All World Bank indicators (time and cost to export and import) have been replaced by six OECD trade-facilitation indicators (following a scale where 0 is the worst and 2 is the best score).²² Therefore, the overall performance in this area cannot be compared to last year's. The Czech Republic performs well below the EU average in this area, which is its weakest principle. Based on data from 2013, Czech SMEs are the second worst in the EU for extra-EU exports. The lack of online tools to automate customs procedures and unwieldy customs formalities are also inadequate and an impediment to improving these SME trade figures.

Support services to SMEs are available for internationalisation, although an umbrella organisation to unite these services has not yet been established. The Export Guarantee and Insurance

Corporation insures credit loans connected to the export of goods and services from the Czech Republic against political and commercial risks that are otherwise uninsurable in the regular insurance market. To respond to the challenges associated with the digitalisation of the economy, the 2012-2020 Export Strategy of the Czech Republic (*Exportní strategie České republiky pro období 2012 až 2020*) was largely revised.

In the current reference period, the Czech Trade agency launched 'NOVUMM, NOVUMM KET & DESIGN'. This measure covers three different activities. The first activity, 'NOVUMM,' subsidises services so that SMEs can take part in exhibitions and fairs abroad in priority sectors. The second and third activities, 'NOVUMM KET' and 'DESIGN', do the same but in the fields of key enabling technologies and professional design respectively.



4. Interesting initiative

Below is an example of an initiative from the Czech Republic to show what governments can do to support SMEs:

SME support programme 'Low carbon technologies' (*Nízkouhlíkové technologie*)

This SME support programme was introduced in the Czech Republic in 2016. It supports the competitiveness of enterprises and the sustainability of the Czech economy by introducing innovative technologies in the fields of e-mobility, energy management and utilisation of secondary raw materials. It also aims to increase the use of more efficient and reliable low carbon technologies in the Czech Republic.

The first call for project proposals covers three main areas:

- E-mobility: Introduction and acquisition of electric vehicles (battery electric vehicles, extended-range electric vehicles) and the deployment of electric vehicle charging stations on business premises for private use.
- Energy storage: Pilot projects to establish energy storage technologies.
- Secondary raw materials: Introduction of technologies to recover secondary raw materials of a quality suitable for further use in industrial production; introduction of technologies to efficiently recover valuable secondary raw materials — which are lacking in the Czech Republic (especially critical raw materials) — from used products; and the introduction of innovative technologies to create new products from secondary raw materials.

A total of 82 projects were funded, with grants of around EUR 9.7 million allocated in total.

For more information:

<http://www.agentura-aji.org/wp-content/uploads/2016/06/text-programu-nizkouhlikove-technologie-4545.pdf>

<http://www.businessinfo.cz/cs/clanky/do-i-vyzvy-programu-nizkouhlikove-technologie-na-podporu-elektromobility-se-prihlasilo-53-projektu-81951.html>

Important remarks

The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) produces the SBA fact sheets as part of the SME Performance Review (SPR), its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information. Produced annually, they help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member State policies. Rather, they should be regarded as an additional source of information to improve evidence-based policy-making. For example, they cite only policy measures national SME policy experts consider relevant. They do not and cannot reflect all measures the government has taken over the reference period. There is more policy information on a database accessible from the SPR website.

SME Performance Review:

<http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

grow-spr@ec.europa.eu

Small Business Act:

http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index_en.htm

European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

Endnotes

¹ The two graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2015, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2014 figures from Eurostat's Structural Business Statistics Database. The data cover the non-financial business economy, which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: <http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

² Czech Statistical Office, GDP resources and uses — 4th Quarter of 2016, 3.3.2017; available at: <https://www.czso.cz/csu/czso/cr/tvorba-a-uziti-hdp-4-ctvrtleti-2016>; last accessed 20.4.2017.

³ Czech Television, Payslip workers at Skoda Auto earn some 7 000 CZK more than the average salary in the Czech Republic, article published 14.4.2015; available at: <http://www.ceskatelevize.cz/ct24/ekonomika/1520044-vyplatni-paska-delnika-ve-skodovce-o-7-tisic-vic-nez-prumerny-plat>; last accessed 20.4.2017.

⁴ Czech Statistical Office, Foreign trade in ICT services 2005-2015; statistics available at: https://www.czso.cz/csu/czso/zahranicni_obchod_s_ict_sluzbami; last accessed 20.4.2017.

⁵ EURO portal, Publishing house Mladá fronta, a.s., Shippers respond to the minimum wage in France, article published 2.8.2016; available at: <http://www.euro.cz/politika/zdrzime-dopravci-reaguji-na-minimalni-mzdu-ve-francii-1299718>; last accessed 20.4.2017.

⁶ EURO portal, Publishing house Mladá fronta, a.s., The Czech Republic has one of the lowest minimum wages in the EU, article published 18.7.2016; available at: <http://www.euro.cz/politika/cesko-ma-jednu-z-nejnizsich-minimalnich-mezd-v-eu-1298109>; last accessed 20.4.2017.

⁷ Měsíčník Českého Statistického Úřadu 01/2017 — Ročník 7; available at: <http://www.statistikaamy.cz/2017/01/trzby-ve-sluzbach-se-vratily-k-rustu/>; last accessed 20.4.2017.

⁸ Bisnode Czech Republic, Loni Vzniklo Rekordní Množství Firem, 1.2.2017; available at: <http://www.bisnode.cz/tiskove-zpravy/loni-vzniklo-rekordni-mnozstvi-firem/#>; last accessed 20.4.2017.

⁹ CzechStartups.org, website information available at: <http://www.czechstartups.org/en/new-agency-for-entrepreneurship-and-innovation-api/>; last accessed 20.4.2017.

¹⁰ Agency for Entrepreneurship and Innovation (API), Call for the Technology Programme; available at: http://www.agentura-api.org/wp-content/uploads/2016/11/Technology_Call-V_resum%C3_%A9.pdf; last accessed 20.4.2017.

¹¹ Agency for Entrepreneurship and Innovation (API), Call for the Consultancy Programme; available at: <http://www.agentura-api.org/wp-content/uploads/2016/06/text-programu-poradenstvi-4538.pdf>; last accessed 20.4.2017.

¹² Agency for Entrepreneurship and Innovation (API), Call for the ICT and Shared Services Programme; available at: http://www.agentura-api.org/wp-content/uploads/2016/10/ICT-and-shared-services-%E2_%80_%93-Call-III-for-start-ups_resum%C3_%A9.pdf; last accessed 20.4.2017.

¹³ Persons employed and self-employed persons refer to persons aged 15-64. Source of the data is Eurostat. To calculate the 2016 value, quarterly data from the LFS series were averaged over all quarters for which information was available on 20.3.2017.

¹⁴ In line with Commission Implementing Regulation (EU) No 439/2014, high-growth enterprises are defined as firms with at least 10 employees at the beginning of their growth and average annualised growth in number of employees greater than 10 % per annum, over a three-year period. The share of high growth enterprises is the number of high-growth enterprises divided by the number of active enterprises with at least 10 employees. Source of the data on high-growth enterprises is Eurostat (http://ec.europa.eu/eurostat/web/products-datasets/-/bd_9pm_r2, last accessed 10.4.2017). Due to data availability on Eurostat, the data on high-growth firms refers to the 'business economy', which covers sections B-N including section K (financial activities, except activities of holding companies). The non-financial business economy excludes section K.

¹⁵ The 2017 SBA fact sheets benefited substantially from input from the European Commission's Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

¹⁶ The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU-28. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to 2017. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and 2017. All SBA principles, with the exception of the 'Think Small First' principle for which there is not enough statistical data available, are calculated as composite indicators following the OECD/JRC Handbook guide. A detailed methodology can be consulted at: <http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

¹⁷ The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2016 and the first quarter of 2017. The national SME policy expert that CARSA Spain (DG GROW's lead contractor for the 2017 SBA fact sheets) contracted made the selection. The experts were asked to select only the measures they considered the most important, i.e. the ones expected to have the highest impact in the SBA area in question. The complete range of measures the experts compiled in producing this year's fact sheets will be published alongside the fact sheets in the form of a policy database on the DG GROW website.

¹⁸ The Civil Code 89/2012 Coll., https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=74907&nr=89-2F20_12&rpp=15#local-content, last accessed 18.4.2017.

¹⁹ Source: Country Report Czech Republic 2017, 2017 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011.

²⁰ Survey on the Access to Finance of Enterprises (SAFE), November 2016, available at: <http://ec.europa.eu/growth/safe>.

²¹ The data for 2016 were compiled in December 2016, while the 2015 data were collected from May 2015.

²² Please see Moisé, E., T. Orliac and P. Minor (2011), 'Trade Facilitation Indicators: The Impact on Trade Costs', OECD Trade Policy Papers, No 118, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5kg6nk654hmr-en> for more information on the methodology applied to construct the indicators; further information is available at: <http://www.oecd.org/trade/facilitation/indicators.htm>, last accessed 06/07/2017.